

PERIODIC REPORT ON THE NATIONAL EMERGENCY
WITH RESPECT TO SUDAN

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A SIX MONTH PERIODIC REPORT ON THE NATIONAL EMERGENCY
WITH RESPECT TO SUDAN THAT WAS DECLARED IN EXECUTIVE
ORDER 13067 OF NOVEMBER 3, 1997, PURSUANT TO 50 U.S.C.
1641(c) AND 50 U.S.C. 1703(c)



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THE WHITE HOUSE,
Washington, October 29, 2002.

Hon. J. DENNIS HASTERT,
Speaker of the House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c), I am providing herewith a 6-month periodic report prepared by my Administration on the national emergency with respect to Sudan that was declared in Executive Order 13067 of November 3, 1997.

Sincerely,

GEORGE W. BUSH.

PERIODIC REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO
SUDAN

This report to Congress covers developments over the course of the past 6 months concerning the national emergency with respect to Sudan that was declared in Executive Order 13067 of November 3, 1997. This report, prepared by my Administration, is submitted pursuant to section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c) (IEEPA), and section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c).

1. The Department of the Treasury's Office of Foreign Assets Control (OFAC) has issued 30 licenses during the current reporting period. The majority of licenses were issued releasing blocked funds after it was determined that there was no Sudanese Government property interest in the funds. Eight licenses were issued authorizing commercial sales and exportation to Sudan of bulk agricultural commodities, food and agricultural products, medicine, and medical equipment. Two licenses were issued authorizing the shipment of human remains, one license was issued authorizing the sale of equity in a Sudanese company held by a U.S. company to a non-sanctioned, non-U.S. purchaser, and two licenses were issued authorizing certain humanitarian organizations and non-governmental organizations (NGOs) to provide humanitarian assistance to Sudan. Twenty-five license applications were denied, all involving blocked funds that, after review, were determined to involve a Sudanese Government property interest.

2. As of September 5, 2002, OFAC has blocked 46 transactions totaling more than \$1.9 million during this reporting period. Under the Sudanese Sanctions Regulations, 31 C.F.R. Part 538 (the "Regulations"), transactions in violation of the sanctions where there is no blockable interest of the Government of Sudan must be returned to remitters ("rejected"). During this reporting period, 208 such transactions were rejected by U.S. banks resulting in a disruption of at least \$7.7 million in business for Sudan. In addition, as of September 5, 2002, OFAC has authorized an additional 11 NGOs to conduct humanitarian relief operations in Sudan, bringing the total number of NGOs licensed to 135.

3. Since the last report, OFAC has collected 6 civil monetary penalties or settlements totaling nearly \$108,400 for violations, or allegations thereof, of IEEPA and the Regulations. The payments originated from 4 U.S. companies, 1 U.S. financial institution, and 1 individual. Seven defaulted assessed penalties totaling \$41,740 from 3 U.S. companies, 3 U.S. financial institutions, and 1 individual have been referred to the Financial Management Division for debt collection. An additional 39 cases are undergoing penalty action for violation of the Regulations and IEEPA.

4. The expenses incurred by the Federal Government in the 6-month period from May 3 through November 2, 2002, that are di-

rectly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Sudan are reported to be more than \$300,000, most of which represent wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the U.S. Customs Service, the Office of the Under Secretary for Enforcement, and the Office of the General Counsel), the Department of State, and the Department of Commerce.

5. The situation in Sudan continues to present an extraordinary and unusual threat to the national security and foreign policy of the United States. The declaration of the national emergency with respect to Sudan contained in Executive Order 13067 underscores the U.S. Government's opposition to the actions and policies of the Government of Sudan, particularly its support of certain terrorist organizations, including Hamas and Palestinian Islamic Jihad, and its failure to respect basic human rights, including its restrictions on religious freedom. The prohibitions contained in Executive Order 13067 advance important objectives in promoting the anti-terrorism and human rights policies of the United States. I shall exercise the powers at my disposal to deal with this unusual and extraordinary threat and will continue to report periodically to the Congress on significant developments as required by law.